Money laundering

2148. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently reckoned the extent of money laundering in India at about $ 600.00 million to $ 1.5 billion;

(b) whether these projections work out to 2 to 5 per cent of our GDP; and

(c) whether introduction of Financial Action Task Force is likely to curb money laundering and if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Since money laundering is the process of conversion of money derived out of criminal activity into clean money, there is no proper estimate available with Reserve Bank of India (RBI) as to the extent of amount involved.

(c) The Financial Action Task Force (FATF) is an inter governmental body which has stipulated 40 recommendations for curbing money laundering in all member and sub-member countries. RBI has issued guidelines to banks on 'Know Your Customer' (KYC) norms for their customers based on the said recommendations of FATF. It is hoped that with the coming into force of the revised guidelines issued by RBI on 29th November, 2004 on KYC norms and Anti Money Laundering (AML) the practice of money laundering would be curbed to great extent.

Modifications in data collected through TIN

2149. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have been able to make any significant use of the wealth of information being collected through Tax Information Network (TIN);

(b) if so, the details thereof;

(c) whether any modifications or alterations are proposed in the types or amount of data collected through TIN; and

(d) if so, the details thereof?